

AMENDED IN SENATE JUNE 22, 2010

AMENDED IN ASSEMBLY MARCH 18, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1703

Introduced by Assembly Member Knight

February 1, 2010

An act to amend Sections 70123 and 70124 of, and to add Section 70123.3 to, the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1703, as amended, Knight. State Nursing Assumption Program of Loans for Education: veterans' homes.

(1) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law establishes a program within the State Nursing Assumption Program of Loans for Education (SNAPLE), administered by the commission, under which any person who is enrolled in an eligible institution, and who agrees to work full time as a registered nurse in a state-operated 24-hour facility, including a prison, psychiatric hospital, or veterans' home, that employs registered nurses, is eligible to receive a conditional loan assumption agreement, to be redeemed upon becoming employed as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that has a clinical registered nurse vacancy rate of greater than 10%. The SNAPLE program provides for a progressive assumption of the amount of a qualifying loan over 4 consecutive years of qualifying clinical registered nursing service, up to a total loan assumption of \$20,000.

Under existing law, this program becomes inoperative on July 1, 2012, and is repealed on January 1, 2013.

This bill would provide for an additional loan assumption of up to \$5,000 per year for a participant that completes qualifying clinical registered nursing service at a state-operated veterans' home, thus raising the maximum total loan assumption authorized under the program for service at a state-operated veterans' home to \$40,000.

(2) Under the SNAPLE program, if a program participant becomes unable to complete one of the 4 consecutive years of qualifying clinical registered nursing service due to serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement is extended for a period not to exceed one year.

This bill would add active military duty in the United States Armed Forces to the list of occurrences that would authorize the extension of the term of the loan assumption agreement. *It would also authorize an extension for any of these occurrences for a period longer than one year if approved by the commission.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 70123 of the Education Code is amended
2 to read:

3 70123. The terms of a loan assumption granted under this
4 article for service in a state-operated 24-hour facility other than a
5 veterans' home shall be as follows, subject to the specific terms
6 of each agreement:

7 (a) After a program participant has completed one year of
8 full-time employment as described in subdivision (b) of Section
9 70122, the commission shall assume up to five thousand dollars
10 (\$5,000) of the participant's outstanding liability under one or
11 more of the designated loan programs.

12 (b) After a program participant has completed two years of
13 full-time employment as described in subdivision (b) of Section
14 70122, the commission shall assume up to an additional five
15 thousand dollars (\$5,000) of the participant's outstanding liability
16 under one or more of the designated loan programs, for a total loan
17 assumption of up to ten thousand dollars (\$10,000).

1 (c) After a program participant has completed three years of
2 full-time employment as described in subdivision (b) of Section
3 70122, the commission shall assume up to an additional five
4 thousand dollars (\$5,000) of the participant's outstanding liability
5 under one or more of the designated loan programs, for a total loan
6 assumption of up to fifteen thousand dollars (\$15,000).

7 (d) After a program participant has completed four years of
8 full-time employment as described in subdivision (b) of Section
9 70122, the commission shall assume up to an additional five
10 thousand dollars (\$5,000) of the participant's outstanding liability
11 under one or more of the designated loan programs, for a total loan
12 assumption of up to twenty thousand dollars (\$20,000).

13 SEC. 2. Section 70123.3 is added to the Education Code, to
14 read:

15 70123.3. The terms of a loan assumption granted under this
16 article for service in a state-operated veterans' home shall be as
17 follows, subject to the specific terms of each agreement:

18 (a) After a program participant has completed one year of
19 full-time employment as described in subdivision (b) of Section
20 70122, the commission shall assume up to ten thousand dollars
21 (\$10,000) of the participant's outstanding liability under one or
22 more of the designated loan programs.

23 (b) After a program participant has completed two years of
24 full-time employment as described in subdivision (b) of Section
25 70122, the commission shall assume up to an additional ten
26 thousand dollars (\$10,000) of the participant's outstanding liability
27 under one or more of the designated loan programs, for a total loan
28 assumption of up to twenty thousand dollars (\$20,000).

29 (c) After a program participant has completed three years of
30 full-time employment as described in subdivision (b) of Section
31 70122, the commission shall assume up to an additional ten
32 thousand dollars (\$10,000) of the participant's outstanding liability
33 under one or more of the designated loan programs, for a total loan
34 assumption of up to thirty thousand dollars (\$30,000).

35 (d) After a program participant has completed four years of
36 full-time employment as described in subdivision (b) of Section
37 70122, the commission shall assume up to an additional ten
38 thousand dollars (\$10,000) of the participant's outstanding liability
39 under one or more of the designated loan programs, for a total loan
40 assumption of up to forty thousand dollars (\$40,000).

1 SEC. 3. Section 70124 of the Education Code is amended to
2 read:

3 70124. (a) Except as provided in subdivision (b), if a program
4 participant fails to complete a minimum of four consecutive years
5 of full-time employment as required by this article, under the terms
6 of the agreement pursuant to paragraph (5) of subdivision (b) of
7 Section 70120, the participant shall retain full liability for all
8 student loan obligations remaining after the commission's
9 assumption of loan liability for the last year of qualifying clinical
10 registered nursing service pursuant to Section 70123 or 70123.3.

11 (b) Notwithstanding subdivision (a), if a program participant
12 becomes unable to complete one of the four consecutive years of
13 qualifying clinical registered nursing service due to active military
14 duty in the United States Armed Forces, or due to serious illness,
15 pregnancy, or other natural causes, the term of the loan assumption
16 agreement shall be extended for a period not to exceed one ~~year~~
17 *calendar year, unless approved by the commission for a longer*
18 *period*. The commission shall make no further payments under the
19 loan assumption agreement until the applicable work requirements
20 as specified in Section 70122 have been satisfied.

21 (c) If a natural disaster prevents a program participant from
22 completing one of the required years of work due to the interruption
23 of employment at the employing state facility, the term of the loan
24 assumption agreement shall be extended for the period of time
25 equal to the period from the interruption of employment at the
26 employing state facility to the resumption of employment. The
27 commission shall make no further payments under the loan
28 assumption agreement until the applicable employment
29 requirements specified in Section 70123 or 70123.3 have been
30 satisfied.